

State Lottery

Analyst: Austin

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	11,077,800	9,094,900	11,215,300	11,454,200	11,204,600
Percent Change:		(17.9%)	23.3%	2.1%	(0.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,689,800	2,424,100	2,842,500	3,000,900	2,833,800
Operating Expenditures	8,279,100	6,462,300	8,260,900	8,265,800	8,265,800
Capital Outlay	108,900	208,500	111,900	187,500	105,000
Total:	11,077,800	9,094,900	11,215,300	11,454,200	11,204,600
Full-Time Positions (FTP)	47.00	47.00	47.00	47.00	47.00

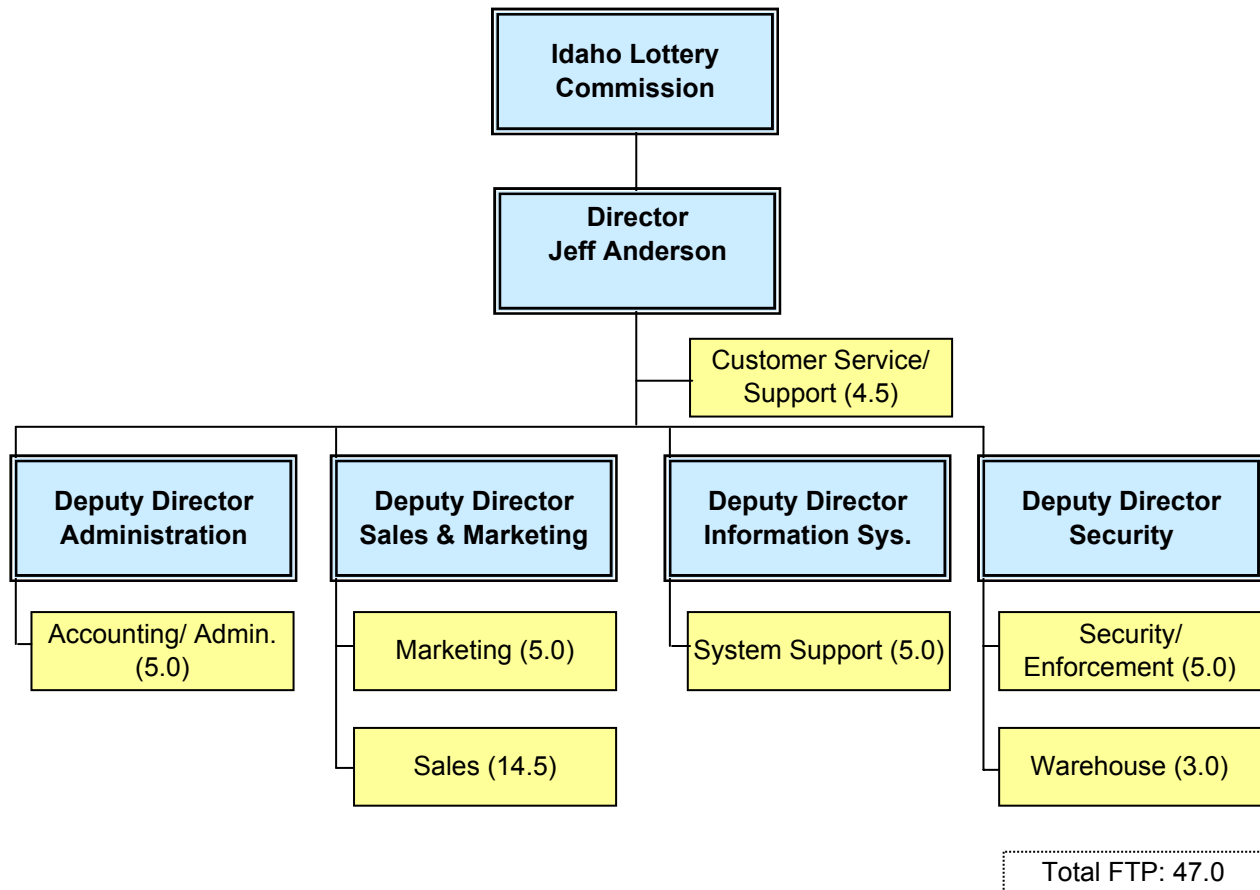
Division Description

In 1988, the Legislature authorized a vote by the electorate of Idaho for a constitutional amendment repealing the constitutional ban on lotteries. The mission of the Idaho Lottery is to maximize net income and the resulting annual dividend payments for Idaho public schools and buildings. Since its inception in 1989, the Lottery has produced \$368,250,000 in dividends. The Idaho Lottery Commission is a five-member board appointed by the Governor and serves five-year terms. The commission adopts rules for the agency, approves contracts, and monitors the Idaho Lottery operations.

State Lottery Agency Profile

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Organizational Chart



State Lottery Agency Profile

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Selected Measures

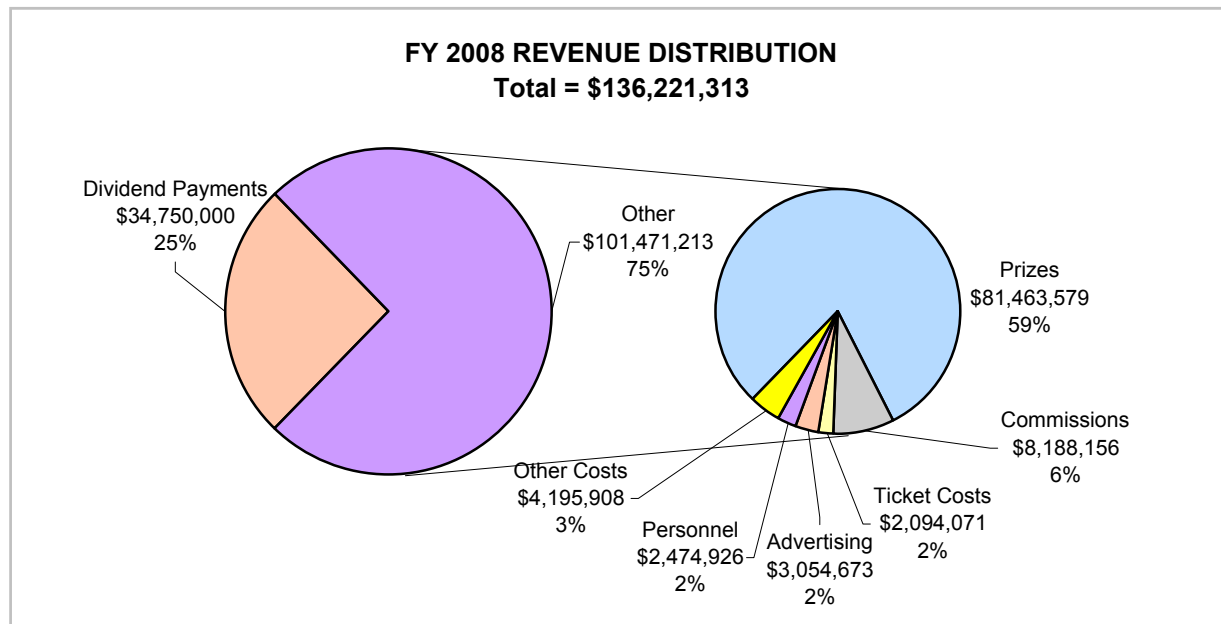
REVENUE DISTRIBUTION

Statutory Requirements:

Prize payout shall be no less than forty-five percent (45%) of lottery revenues.

Administrative costs shall not exceed fifteen percent (15%) of lottery revenue during any fiscal year.

Advertising and promotional costs shall not exceed three and one-half percent (3.5%) of lottery revenue during any fiscal year.



REVENUE DISTRIBUTION FY 2006 - FY 2008

	FY 2006	FY 2007	FY 2008
Dividend Payments	\$33,000,000	\$34,000,000	\$34,750,000
Prizes	\$76,679,037	\$78,875,202	\$81,463,579
Commissions	\$7,748,091	\$7,660,882	\$8,188,156
Ticket Costs	\$2,165,394	\$2,268,038	\$2,094,071
Advertising	\$2,630,284	\$2,865,196	\$3,054,673
Personnel	\$2,417,453	\$2,417,323	\$2,474,926
Other Costs	\$5,964,585	\$5,220,284	\$4,195,908
Total	\$130,604,844	\$133,306,925	\$136,221,313

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Comparative Summary

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Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	47.00	0	11,215,300	47.00	0	11,215,300
Health Insurance Reduction	0.00	0	0	0.00	0	(23,500)
FY 2009 Total Appropriation	47.00	0	11,215,300	47.00	0	11,191,800
Removal of One-Time Expenditures	0.00	0	(58,500)	0.00	0	(58,500)
FY 2010 Base	47.00	0	11,156,800	47.00	0	11,133,300
Benefit Costs	0.00	0	38,300	0.00	0	14,800
Replacement Items	0.00	0	127,100	0.00	0	44,600
Statewide Cost Allocation	0.00	0	4,900	0.00	0	4,900
Change in Employee Compensation	0.00	0	120,100	0.00	0	0
FY 2010 Program Maintenance	47.00	0	11,447,200	47.00	0	11,197,600
1. Purchase Security Equipment	0.00	0	7,000	0.00	0	7,000
FY 2010 Total	47.00	0	11,454,200	47.00	0	11,204,600
Change from Original Appropriation	0.00	0	238,900	0.00	0	(10,700)
% Change from Original Appropriation			2.1%			(0.1%)

State Lottery

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	47.00	0	11,215,300	0	11,215,300
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	0	(23,500)	0	(23,500)
FY 2009 Total Appropriation					
Agency Request	47.00	0	11,215,300	0	11,215,300
Governor's Recommendation	47.00	0	11,191,800	0	11,191,800
Removal of One-Time Expenditures					
Agency Request	0.00	0	(58,500)	0	(58,500)
Governor's Recommendation	0.00	0	(58,500)	0	(58,500)
FY 2010 Base					
Agency Request	47.00	0	11,156,800	0	11,156,800
Governor's Recommendation	47.00	0	11,133,300	0	11,133,300
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	0	38,300	0	38,300
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	0	14,800	0	14,800
Replacement Items					
The Lottery Commission is requesting three vehicles for sales representatives at a cost of \$82,500. In addition, the commission is requesting other office equipment including 12 computers, a network laser printer, two color laser printers, a network server, two laptop computers, a Cisco 24 port switch, a Cisco router, a MacIntosh Pro graphic design computer, and a high output laser. The office equipment request totals \$44,600.					
Agency Request	0.00	0	127,100	0	127,100
<i>This decision unit provides one-time replacement dedicated spending authority for 12 desktop computers, \$12,200; two laser printers, \$2,800; two laptop computers, \$3,000; one Cisco router and switch, \$5,700; one graphic design computer, \$6,900; one network server, \$5,000; and one large output printer, \$9,000.</i>					
Governor's Recommendation	0.00	0	44,600	0	44,600
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: \$5,400 for Attorney General fees; a reduction of \$6,200 for property and casualty insurance premiums; \$1,600 for State Controller fees; and \$4,100 for State Treasurer fees.					
Agency Request	0.00	0	4,900	0	4,900
Governor's Recommendation	0.00	0	4,900	0	4,900
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	0	120,100	0	120,100
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	47.00	0	11,447,200	0	11,447,200
Governor's Recommendation	47.00	0	11,197,600	0	11,197,600

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Purchase Security Equipment					
Requesting funding for a surveillance system and video duplicating equipment. The surveillance system is for the Lottery Security Division to carry out its responsibility during an investigation to provide audio/video evidence required for prosecution. The video transfer and duplicating equipment is required to accumulate and copy video surveillance evidence received from retailers. The equipment will allow copying and translation of video to a common format that will then be provided to prosecutors as evidence.					
Agency Request	0.00	0	7,000	0	7,000
Governor's Recommendation	0.00	0	7,000	0	7,000
FY 2010 Total					
Agency Request	47.00	0	11,454,200	0	11,454,200
Governor's Recommendation	47.00	0	11,204,600	0	11,204,600
Agency Request					
Change from Original App	0.00	0	238,900	0	238,900
% Change from Original App	0.0%		2.1%		2.1%
Governor's Recommendation					
Change from Original App	0.00	0	(10,700)	0	(10,700)
% Change from Original App	0.0%		(0.1%)		(0.1%)